

AMENDED IN SENATE MAY 10, 2016

SENATE BILL

No. 1350

Introduced by Senator Wolk

February 19, 2016

An act to amend Section 568 of, and to add Sections 562 and 569 to, the Food and Agricultural Code, relating to agriculture.

LEGISLATIVE COUNSEL'S DIGEST

SB 1350, as amended, Wolk. Agricultural lands: greenhouse gases: Healthy Soils Program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulations the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law requires the State Air Resources Board to develop guidance on reporting and quantification methods for state agencies receiving an appropriation from the Greenhouse Gas Reduction Fund.

Existing law, the Cannella Environmental Farming Act of 1995, requires the Department of Food and Agriculture to establish and oversee an environmental farming program to provide incentives to farmers whose practices promote the well-being of ecosystems, air quality, and wildlife and their habitat. The act requires the Secretary of Food and Agriculture to convene a 5-member Scientific Advisory Panel on

Environmental Farming, as prescribed, for the purpose of providing advice and assistance to federal, state, and local government agencies on issues relating to air, water, and wildlife habitat, as specified. *Existing law authorizes the panel to establish ad hoc committees to assist the panel in performing its functions.*

This bill would change the number of members on the panel from 5 to 7 members and would require that the secretary appoint ~~5 members, 5 instead of 3, 3 of these members. The bill would require that, of the members appointed by the secretary, at least 2 members, instead of one, have a minimum of 5 years of training and experience in the field of agriculture, and at least one member have training and experience in on-farm management practices that reduce greenhouse gas emissions, sequester carbon, or both.~~ members, as prescribed. *The bill would additionally allow the secretary to appoint, in consultation with the panel, ex officio nonvoting members to the panel. The bill would add representatives of nongovernmental entities to persons who may be on the ad hoc committees.*

The bill would require the State Air Resources Board to consult with the Secretary of Food and Agriculture and the panel in developing the quantification methods to demonstrate and quantify on-farm greenhouse gas emissions reductions.

The bill would require the Department of Food and Agriculture, in consultation with the panel, to establish and oversee a Healthy Soils Program ~~to provide to seek to optimize climate benefits while supporting the economic viability of California agriculture by providing incentives, including loans, grants, research, and technical assistance, or educational materials and outreach, to farmers whose management practices contribute to healthful healthy soils and result in net long-term on-farm greenhouse gas benefits. The bill would authorize the program to include funding of on-farm demonstration projects and, if the funding of those projects is included, would require the department to establish a technical advisory committee to review the project applications for scientific validity and the project's potential to achieve greenhouse gas benefits.~~ The bill would require the department to implement the program and quantify greenhouse gas emissions reductions in accordance with the quantification methods developed by the State Air Resources Board and specified funding guidelines. ~~The bill would make \$20,000,000 available, upon appropriation by the Legislature, from the Greenhouse Gas Reduction Fund to the department to support the Healthy Soils Program.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 562 is added to the Food and Agricultural Code, to read:

562. (a) The Legislature further finds and declares all of the following:

(1) California's agricultural output is larger and more diverse than any state in the United States, providing the majority of the country's fruits, vegetables, nuts, and dairy products. California's agricultural lands and rangelands account for nearly 50 percent of the state's land area.

(2) Dependent on land and natural resources, California agriculture is uniquely vulnerable to climate change, which poses a serious threat to California agriculture with rising temperatures, increases in extreme weather events, constrained water resources, reduced winter chilling hours, and rising sea levels.

(3) California agriculture also is uniquely positioned to provide climate benefits by reducing greenhouse gas emissions. Research funded by the State Energy Resources Conservation and Development Commission's Public Interest Energy Research program finds that some agricultural practices will not only reduce greenhouse gas emissions, but they also may help to store carbon in soils and trees. Carbon storage is an important strategy to help meet the state's greenhouse gas emissions targets. In addition, California's agricultural lands and rangelands hold the potential to sequester millions of metric tons of carbon, resulting in enhanced agricultural production and increased resilience to climate change and drought.

(4) ~~Robust, Numerous~~ peer-reviewed, published data ~~strongly support the hypothesis~~ have found that climate smart agriculture, including on-farm and ranch soil and vegetation management, can significantly enhance soil carbon sequestration, resulting in a wide range of environmental and agricultural cobenefits, including increased water retention in soils, improved water quality, soil health, and forage quantity and quality,

1 reductions in greenhouse gases, and climate adaptation and
2 resilience.

3 (5) Steps taken by those working in California agriculture to
4 reduce greenhouse gas emissions and sequester atmospheric carbon
5 can provide other important environmental cobenefits, such as
6 improved air and water quality, water conservation, enhanced
7 wildlife habitat, and healthier rural communities.

8 (b) It is, therefore, the intent of the Legislature to enhance the
9 long-term viability of California agriculture by supporting activities
10 that reduce climate change impacts that may negatively impact it
11 and the rest of the state.

12 (c) It is further the intent of the Legislature that the department,
13 pursuant to this article, support the state's agricultural sector in
14 pursuing on-farm practices and activities that reduce greenhouse
15 gas emissions and increase carbon storage in agricultural soils and
16 woody biomass.

17 SEC. 2. Section 568 of the Food and Agricultural Code is
18 amended to read:

19 568. (a) The secretary shall convene a seven-member Scientific
20 Advisory Panel on Environmental Farming to advise and assist
21 federal, state, and local government agencies on issues relating to
22 air, water, and wildlife habitat to do *all of* the following:

23 (1) Review data on the impact that agriculture has on the
24 environment and recommend to appropriate state agencies data
25 that the panel approves as scientifically valid. A state agency that
26 receives data recommended by the panel may adopt and incorporate
27 the data into the appropriate program. If a state agency does not
28 utilize the data recommended by the panel, it shall provide the
29 panel with a written statement of reasons for not utilizing the data.
30 The reasons, at a minimum, shall specify the scientific basis for
31 not utilizing the data. The reasons shall be provided within 180
32 days of receiving the data from the panel.

33 (2) Compile the net environmental impacts that agriculture
34 creates for the environment, identified pursuant to paragraph (1).

35 (3) Research, review, and comment on data upon which
36 proposed environmental policies and regulatory programs are based
37 to ensure that the environmental impacts of agricultural activities
38 are accurately portrayed and to identify incentives that may be
39 provided to encourage agricultural practices with environmental
40 benefits.

(4) Assist government agencies to incorporate benefits identified pursuant to paragraph (1) into environmental regulatory programs.

(b) (1) Members of the panel shall be highly qualified and professionally active or engaged in the conduct of scientific research. Of the members first appointed to the panel, two shall serve for a term of two years and three shall serve for a term of three years, as determined by lot. Thereafter, members shall be appointed for a term of three years. The members shall be appointed as follows:

~~(1)~~

(A) Five members shall be appointed by the secretary. ~~At least two of these members shall~~ *secretary as follows:*

(i) *At least two members shall* have a minimum of five years of training and experience in the field of agriculture and shall represent production agriculture. ~~At least one of the five members shall~~

(ii) *At least one member shall* have training and *field* experience in on-farm management practices that reduce greenhouse gas emissions, sequester carbon, or both.

(iii) *At least one member shall be certified as a producer pursuant to the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.).*

(iv) *At least one member shall have technical expertise in agricultural conservation planning and management.*

~~(2)~~

(B) One member, who has a minimum of five years of training and experience in the field of human health or environmental science, shall be appointed by the Secretary for Environmental Protection.

~~(3)~~

(C) One member, who has a minimum of five years of training and experience in the field of resource management, shall be appointed by the Secretary of the *Natural Resources Agency*.

(2) *The secretary may also appoint, in consultation with the panel, ex officio nonvoting members to the panel.*

(c) The panel may establish ad hoc committees, which may include ~~professionals or professionals~~, scientists, *or representatives of nongovernmental entities*, to assist it in performing its functions.

1 (d) The panel shall be created and maintained with funds made
2 available from existing resources within the department to the
3 extent they are available.

4 (e) The State Air Resources Board shall consult with the
5 secretary and the panel, as appropriate, in developing the
6 quantification methods described in subdivision (b) of Section
7 16428.9 of the Government Code as it relates to the demonstration
8 and quantification of on-farm greenhouse gas emissions reductions.

9 SEC. 3. Section 569 is added to the Food and Agricultural
10 Code, to read:

11 569. (a) (1) The department, in consultation with the panel,
12 shall establish and oversee a Healthy Soils Program. The program
13 shall ~~provide~~ *seek to optimize climate benefits while supporting*
14 *the economic viability of California agriculture by providing*
15 incentives, including, but not limited to, loans, grants, research,
16 and technical assistance, and educational materials and outreach,
17 to farmers whose management practices contribute to ~~healthful~~
18 *healthy* soils and result in net long-term on-farm greenhouse gas
19 benefits. The program may also include the funding of on-farm
20 demonstration projects that further the goals of the program.

21 (2) *The department, in consultation with the panel, may*
22 *determine priorities for the program and give priority to projects*
23 *that occur in and benefit disadvantaged communities identified*
24 *pursuant to Section 39711 of the Health and Safety Code, show*
25 *promise of being replicable in other parts of the state, or provide*
26 *environmental and agronomic cobenefits, such as improved air*
27 *and water quality, improved crop yield, and reduced soil erosion.*

28 (3) *The panel may also advise the department on scientific*
29 *findings, program framework, guidelines, grower incentives, and*
30 *providing technical assistance.*

31 (4) *If the department elects to fund on-farm demonstration*
32 *projects described in paragraph (1), the department, in*
33 *consultation with the panel, shall establish a technical advisory*
34 *committee to review on-farm demonstration project applications*
35 *for scientific validity and the proposed project's potential to*
36 *achieve greenhouse gas benefits.*

37 (b) The department shall implement the program and quantify
38 greenhouse gas emissions reductions in accordance with the
39 funding guidelines developed by the State Air Resources Board
40 pursuant to Section 39715 of the Health and Safety Code and the

1 quantification methods developed by the State Air Resources Board
2 pursuant to Section 16428.9 of the Government Code.

3 ~~(e) (1) The sum of twenty million dollars (\$20,000,000) shall~~
4 ~~be made available, upon appropriation by the Legislature, from~~
5 ~~the Greenhouse Gas Reduction Fund to the department to support~~
6 ~~the Healthy Soils Program.~~

7 ~~(2)~~

8 ~~(c) (1) The department may also pursue other public and private~~
9 ~~sources to support the Healthy Soils Program.~~

10 ~~(2) To the extent funds are available, the department may~~
11 ~~provide support to the program, including, but not limited to,~~
12 ~~technical assistance, education, and outreach.~~

13 ~~(d) For purposes of this section, “panel” means the Scientific~~
14 ~~Advisory Panel on Environmental Farming.~~

15 ~~(e) For purposes of the Healthy Soils Program, the following~~
16 ~~terms have the following meanings:~~

17 ~~(1) “Greenhouse gas benefits” means greenhouse gas emissions~~
18 ~~source reduction or carbon sequestration.~~

19 ~~(2) “Healthy soils” means soils that enhance their continuing~~
20 ~~capacity to function as a biological system, increase soil organic~~
21 ~~matter, improve soil structure and water- and nutrient-holding~~
22 ~~capacity, and result in net long-term greenhouse gas benefits.~~

23 ~~(3) “On-farm demonstration projects” means projects that~~
24 ~~incorporate farm management practices that result in greenhouse~~
25 ~~gas benefits across all farming types with the intent to establish~~
26 ~~or promote healthy soils.~~